

## Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 IO-14 ISO-00 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-03 INR-11 NEA-14 NSAE-00 RSC-01

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FM USMISSION OECD PARIS

TO SECSTATE WASHDC 3364

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION GENEVA

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E.O. 11652: N/A

TAGS: EFIN, ETRD, OECD

SUBJECT: FRENCH CREDIT MEASURES TO PROMOTE EXPORTS

REFS: (A) STATE A-395

(B) PARIS 7430

(C) PARIS 7067

(D) OECD DOCUMENT CES/74. 82

(E) PARIS 17863

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1. SUMMARY: FRENCH CREDIT MEASURES TO PROMOTE INVESTMENT IN EXPORT INDUSTRIES WERE BROUGHT TO COUNCIL ATTENTION BY SECRETARY-GENERAL JULY 23 AS PART OF ONGOING RESPONSIBILITY TO INFORM COUNCIL OF MEASURES WHICH MIGHT CONFLICT WITH MINISTERIAL TRADE PLEDGE. UK SUGGESTED MEASURES BE EXAMINED BY TRADE COMMITTEE WORKING PARTY (TCWP), BUT FRANCE RESISTED ON GROUNDS THAT MEASURES WERE PART OF INTERNAL CREDIT POLICY. FRENCH STATEMENT WILL BE CIRCULATED, AND MEASURES WILL BE RE-EXAMINED BY COUNCIL ONLY IF ADDITIONAL INFORMATION BECOMES AVAILABLE OR IF A COUNCIL MEMBER SO REQUESTS. END SUMMARY.

2. SECRETARY-GENERAL CIRCULATED REFDOC TO BRING ATTENTION OF COUNCIL TO CERTAIN CHANGES IN FRENCH CREDIT POLICY DESIGNED TO PROMOTE EXPORTS. THESE MEASURES PROVIDE SPECIAL FINANCING FACILITIES UP TO TOTAL OF 4 BILLION FF FOR INVESTMENTS BY EXPORT-ORIENTED INDUSTRIES. APPROXIMATELY HALF OF THIS AMOUNT WILL BE PROVIDED BY GOVERNMENT LENDING INSTITUTIONS (EG CREDIT NATIONAL) OUT OF FUNDS RAISED ON INTERNATIONAL CAPITAL MARKETS. THESE FUNDS WILL BEAR INTEREST RATE SUBSIDY OF ABOUT 0.75 PERCENT. OTHER HALF WILL COME FROM COMMERCIAL BANK FUNDS WHICH WILL BE EXEMPTED FROM EXISTING CREDIT CEILINGS. FIRMS THEMSELVES WILL PROVIDE ABOUT 30 PERCENT OF FINANCING FROM OWN RESOURCES, AND WILL UNDERTAKE TO INCREASE SHARE OF EXPORTS IN THEIR TOTAL TURNOVER BY 5 PERCENTAGE POINTS WITHIN NEXT THREE YEARS. (SEE REF A, PARA 4; REF B, PARA 7; REF C, PARA 3(E). NOTE THAT FIRMS WILL HAVE TO RAISE PROPORTION OF EXPORT SALES BY 5 PERCENTAGE POINTS, NOT 5 PERCENT AS REPORTED REF A.)

3. UK REP SUGGESTED THESE MEASURES BE EXAMINED BY TCWP IN VIEW THEIR POSSIBLE BEARING ON OECD TRADE PLEDGE. U.S. SUPPORTED THIS INITIATIVE, BUT OTHER FRENCH TRADING PARTNERS REMAINED SILENT. FRENCH REP (VALERY) OPPOSED EXAMINATION BY TCWP ON GROUNDS THAT MEASURES WERE PART OF INTERNAL CREDIT POLICY DESIGNED TO AID INVESTMENT, NOT COMMERCIAL AIDS TO EXPORTS. HE THEREFORE CONSIDERED MEASURES TO BE OUTSIDE CONTEXT OF TRADE PLEDGE.  
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4. SEC GEN WILL CIRCULATE FRENCH STATEMENT TO COUNCIL MEMBERS, BUT WILL NOT PASS ITEM TO TCWP. IF ADDITIONAL INFORMATION BECOMES AVAILABLE FROM OFFICIAL GOF SOURCES, SECRETARIAT WILL CIRCULATE. (NB: PRESENT REPORT BASED LARGELY ON PUBLISHED SOURCES.) ITEM WILL NOT COME BACK TO COUNCIL UNLESS SPECIFICALLY REQUESTED BY A COUNCIL MEMBER. UK REP (HUTCHINSON) NOT SURE IF UK WILL FOLLOW

UP IN TIME FOR FINAL COUNCIL MEETING AUGUST1.  
MISSION PLANS NO FURTHER INITIATIVES IN ABSENCE OF  
STRONG INTEREST BY OTHER FRENCH TRADING PARTNERS, AND  
CONSIDERS SECGEN HAS DONE HIS DUTY BY INFORMING COUNCIL  
OF POSSIBLE CONFLICT WITH TRADE PLEDGE.  
BROWN

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## Message Attributes

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**Channel Indicators:** n/a  
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**Copy:** SINGLE  
**Draft Date:** 24 JUL 1974  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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